- Economic slowdown in U.S. and other economies of the world.
- Comparatively lower agricultural production in past two years resulting in lower aggregate demand and reduced consumption.
- Poor stock market performance has weakened consumer and business confidence.

(c) and (d) The Planning Commission has set an annual target of 8.2% for industrial sector during the Ninth Five Year Plan. So far a growth rate of 2.6% has been achieved during April-May 2001. The achievement of the targeted growth rate will depend upon several factors such as favourable monsoon, upturn in worldwide slowdown, increase in private and public investments in infrastructure, and boost in consumer as well as business confidence.

Decline in industrial growth

191. SHRI KRISHNA KUMAR BIRLA:
SHRI P. PRABHAKAR REDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the industrial output growth in the country has considerably dropped during the last few months;

(b) if so, the details thereof stating the areas where the industrial output growth has shown decline;

(c) the reasons attributed to the slump in the industrial output growth;

(d) its overall impact on the country's economy; and

(e) the steps taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Overall industrial growth has shown a declining trend during the last few months in comparison to the growth rates achieved during the

corresponding months of the previous year. Month-wise growth rates from January, 2001 onwards and growth rates in the corresponding month in 2000 are as below:—

Month	2000	2001
January	4.9	4.5
February	8.2	3.0
March	8.3	2.1
April	6.5	3.3
May	6.0	1.9

Sector-wise performance indicates that the Manufacturing and Electricity sectors have registered low growth rates. In the Uscbased classification the Capital goods sector has registered poor growth rates.

(c) The following reasons are attributable for the decline in industrial production:—

- Persistence of infrastructure bottlenecks and failure to attract private sector investment in infrastructure projects.
- Slow down in general investment climate.
- Economic slowdown in U.S. and other economics of the world affecting India.
- Comparatively lower agricultural production in past two years resulting in lower aggregate demand.
- Poor stock market performance has weakened consumer and business confidence.

(d) and (e) Poor performance in the industrial sector has had a dampening effect on the economy as a whole. The Government have taken several policy initiatives to boost industrial production in the country. These measures have been targeted to improve competitiveness of Indian industry in general and to boost aggregate

demand, improve infrastructure base, upgrade technology, introduce labour flexibility and encourage FDI flows. Some of the initiatives taken recently are mentioned below:

- Basic customs duty in case of raw materials and intermediate goods has been reduced.
- Excise duty has been rationalized, with one rate of Cenvat and one rate of Special Excise duty (SED).
- Budgetary provisions under Technology Upgradation Fund Scheme (TUFS) have been raised to speed up the modernization of textile industry.
- Interest rate on small savings has been reduced leading to a reduction of the interest rate structure.
- RBI has reduced Cash Reserve Ratio and Bank Rate to increase liquidity and reduce the lending cost. *
- Public spending out of the current budgetary allocations has been stepped up.
- Proposals have also been made for suitable legislative changes to improve the operating environment for industry.

Issues to be raised at WTO talks at Doha

192. SHRI YADLAPATI VENKAT RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the next round of talks under World Trade Organisation is going to be held in Doha (Qatar) in November, 2001;

(b) whether Government propose to raise the issue of adverse provision in the WTO agreement; and

(c) the details of issues Government propose to raise at the next round of WTO talks at Doha in November, 2001?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) The Fourth Ministerial Conference of WTO is scheduled to be held from 9th—13th November, 2001 at Doha, Qatar.

(b) and (c) the main issue which Government propose to raise